

REMARKS/ARGUMENTS

Applicant submits herewith the Supplemental Declaration of the inventor, Francisco O'Meany, and the Declaration of the attorney of record, H. Michael Brucker.

These Declarations and their attachments provide specific evidence that the invention was conceived prior to July 13, 2000 (the effective date of the Bartone et al. patent 6,633,823 B2).

The Declarations also establish that the invention was diligently reduced to practice by the building and demonstration of a prototype after conception and that a provisional patent application was also diligently pursued and filed following the conception of the invention.

Mr. O'Meany declares that he conceived of the invention in April 2000 and Mr. Brucker, in his Declaration, states that the invention was described to him on June 10, 2000. This establishes conception prior to July 13, 2000.

Both the O'Meany and Brucker Declarations have attached thereto and refer to a schematic drawing dated June 4, 2000 as a document that was made on its date and which was used on June 10, 2000 to describe the invention to Mr. Brucker. This provides documentary evidence of conception before July 13, 2000.

Further documentary evidence that the invention was conceived before July 13, 2000 are the pages of the business plan dated June 16, 2000 (attached to the Brucker Declaration) that were provided to Mr. Brucker after the June 10, 2000 meeting with the inventor and before July 13, 2000.

The invention is fully disclosed in a drawing (attached to the Brucker Declaration) which shows by a fax legend that it was in existence at least on July 9, 2000.

That the inventor and his associates were diligent in reducing the invention to practice is established by the e-mail "of production costs" and the e-mails evidencing that the first prototype was sent to Mr. Culley as the initiating step of producing a prototype of the invention described and claimed in the pending application (attached to O'Meany Declaration). Also, the meeting minutes attached to both Declarations sets out a schedule of activity leading to a working model which is diligent and resulted in the working model. That only a few months expired between conception and reduction to practice (by the prototype and the filing of the provisional patent application) is *ipso facto* diligent.

Applicant submits that the Supplemental Declaration of Mr. O'Meany, the Declaration of Mr. Brucker, the attachments to the Declarations, when taken together with previous submissions, constitutes an adequate showing under 37 C.F.R. 1.131.

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Response 2
09/927,104
Francisco O'Meany

Accordingly, Applicant respectfully requests that the rejection of the claims based on the Bartone et al. patent be withdrawn.

Respectfully submitted,

Dated: June 10, 2005


By _____

H. Michael Brucker
Reg No. 19,737
Attorney at Law
5855 Doyle Street, Suite 110
Emeryville, CA 94608
(510) 654-6200

CERTIFICATE OF MAILING (37 CFR 1.8(A)): I hereby certify that this paper (along with any paper referred to as being transmitted therewith) is being deposited with the U.S. Postal Service on the date shown below with sufficient postage as first class mail in an envelope addressed to the Commissioner of Patents, PO Box 1450, Alexandria, VA 22313-1450.

06/10/05
Date

Francis E. Haden
Type print name of person mailing paper
Francis E. Haden
Signature of person mailing paper



PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN RE APPLICATION OF)
Francisco O'Meany)
Serial No. 09/927,104)
Filed: August 10, 2001)
For: Methods and Apparatus for)
Wireless Control of Remote Devices)

) Examiner: Eric Chang

) Art Unit: 2116

) Date: June 10, 2005

**SUPPLEMENTAL
DECLARATION OF
FRANCISCO O'MEANY
37 C.F.R. 1.131**

Commissioner for Patents
Alexandria, VA 22313-1450

I, Francisco O'Meany, declare as follows:

1. I am the inventor of the wireless controller device described and claimed in the above-referenced patent application.
2. In about January 2000, I conceived of the idea of a wireless control system for controlling power distribution.
3. Between January 2000 and April 2000, I built a prototype of a wireless power control system which included an intelligent agent unit that I referred to as the "Perfect Advisor." This Perfect Advisor, when connected to a

power source, was capable of connecting and disconnecting the power source to an appliance in response to a wireless signal. A prototype of the system using the Perfect Advisor was built and tested in March and April 2000 and photographs of that prototype are attached hereto as Exhibit A.

4. In late April 2000, I, together with business associates, obtained production cost quotations for a system using the Perfect Advisor. Attached as Exhibit B is an e-mail evidencing these production quotations.

5. In early April 2000, I started conceptualizing an enhanced system with an expanded intelligent agent which I referred to as "Perfect Advisor II." Whereas Perfect Advisor I was a one-way system (the Perfect Advisor only transmitted signals to the power source for turning it on or off), Perfect Advisor II was to be a two-way system which not only could turn a power supply on or off, but could also send and receive signals to a device to which power was being controlled.

6. The system including Perfect Advisor II was designed to be capable of turning on and off computer CPUs which required that the Perfect Advisor II instruct the CPU to perform its shut-down routine, and then advise the Perfect Advisor II that the routine had been completed and the CPU was in condition to have the power disconnected, and then to disconnect the power.

7. The above-referenced patent application is directed to a system including the Perfect Advisor II.

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8. After the prototype of the embodiment of Perfect Advisor I was completed in May 2000, I started to focus on a prototype of a system including the Perfect Advisor II. That prototype was completed on or before June 29, 2000. Photographs of that prototype are attached as Exhibit C.

9. By early June 2000, the design of the Perfect Advisor II was complete and I started the process of building a prototype. I sent the prototype of Perfect Advisor I (original prototype) to an associate (Emmett Culley) who was helping me build the prototype of Perfect Advisor II. Attached as Exhibit D are e-mails evidencing that the original prototype was sent to Emmett Culley in early June 2000 via Federal Express. I wrote the software for the Perfect Advisor II while my associate Mr. Culley worked on building the hardware. We worked diligently and continuously, but since we both had other full-time jobs, our work necessarily took place mostly during evenings and weekends.

10. The prototype using the Perfect Advisor II was completed and fully operational, and operated as intended by June 29, 2000.

11. Attached hereto as Exhibit E are the June 4, 2000 minutes of a June 2, 2000 meeting of my associates with whom I was developing my invention. The author of the minutes, Alex Zujovich, was one of my business associates in developing the invention, along with the others to whom the minutes were addressed. In these minutes, the reference to "first demo unit (second generation)," refers to the Perfect Advisor II, the schematic drawing of which is attached and dated "6/4/00," the date the drawing was made.

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12. The schedule set forth in the minutes (Exhibit E) was essentially met such that by the group meeting on June 29, 2000, a fully working prototype of a wireless remote power control system using Perfect Advisor II was operable and demonstrated.

13. The diagram attached to the minutes of June 4, 2000 (Exhibit E) shows that the Perfect Advisor II includes a Perfect Advisor II main unit which receives wireless signals, either tower-to-tower or via a satellite, which causes the Perfect Advisor II to send a signal to an appliance such as a PC, which PC, when it has responded to the signal, communicates to the Perfect Advisor II that it has so responded, at which time, the Perfect Advisor II sends a signal to the power control unit, which discontinues the power from the appliance.

14. The prototype shown on Exhibit C included the Perfect Advisor II and was fully operational to shut down power to a PC after the PC had been requested to initiate its shut-down routine and signaled that the shut-down routine was complete.

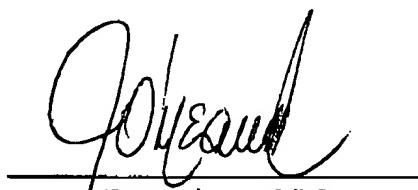
15. On July 10, 2000, I, together with my associates, met with attorney H. Michael Brucker in his office in Emeryville, California, for the purpose of seeking patent protection for my invention. It was ultimately decided to file a provisional patent application for the wireless power control system including a Perfect Advisor II. At that meeting, I fully disclosed to Mr. Brucker my invention that included the Perfect Advisor II making reference to the "6/4/00" schematic drawing of Exhibit E.

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16. After a prior art search was conducted and reported by Mr. Brucker and other formalities completed, a provisional patent application was filed on August 10, 2000.

17. That the above statements were made with the knowledge that willful false statements and the like are punishable by fine and/or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, that any such willful false statement may jeopardize the validity of this application or any patent resulting therefrom.

Dated: June 9, 2005



Francisco O'Meany
Inventor

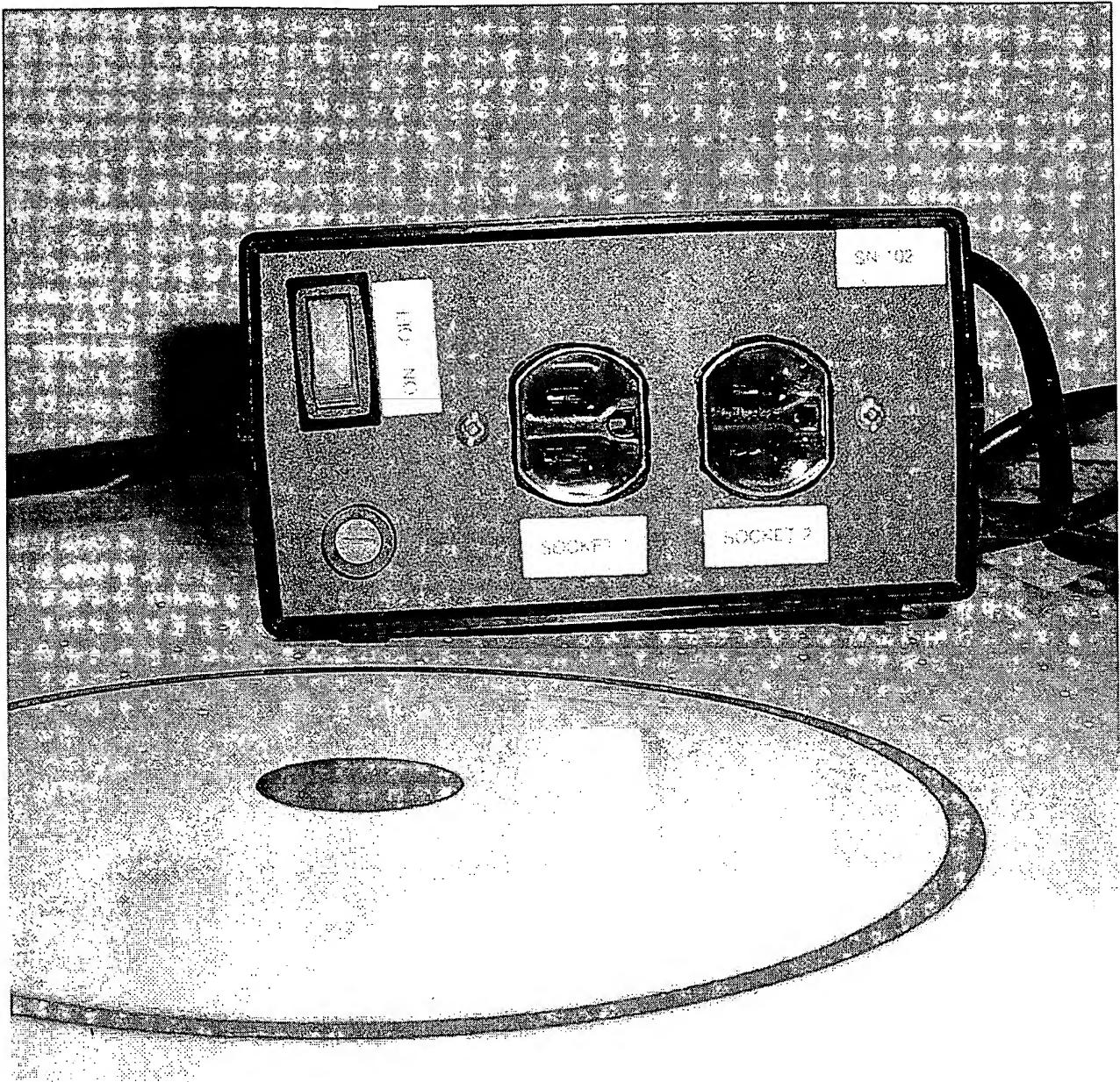
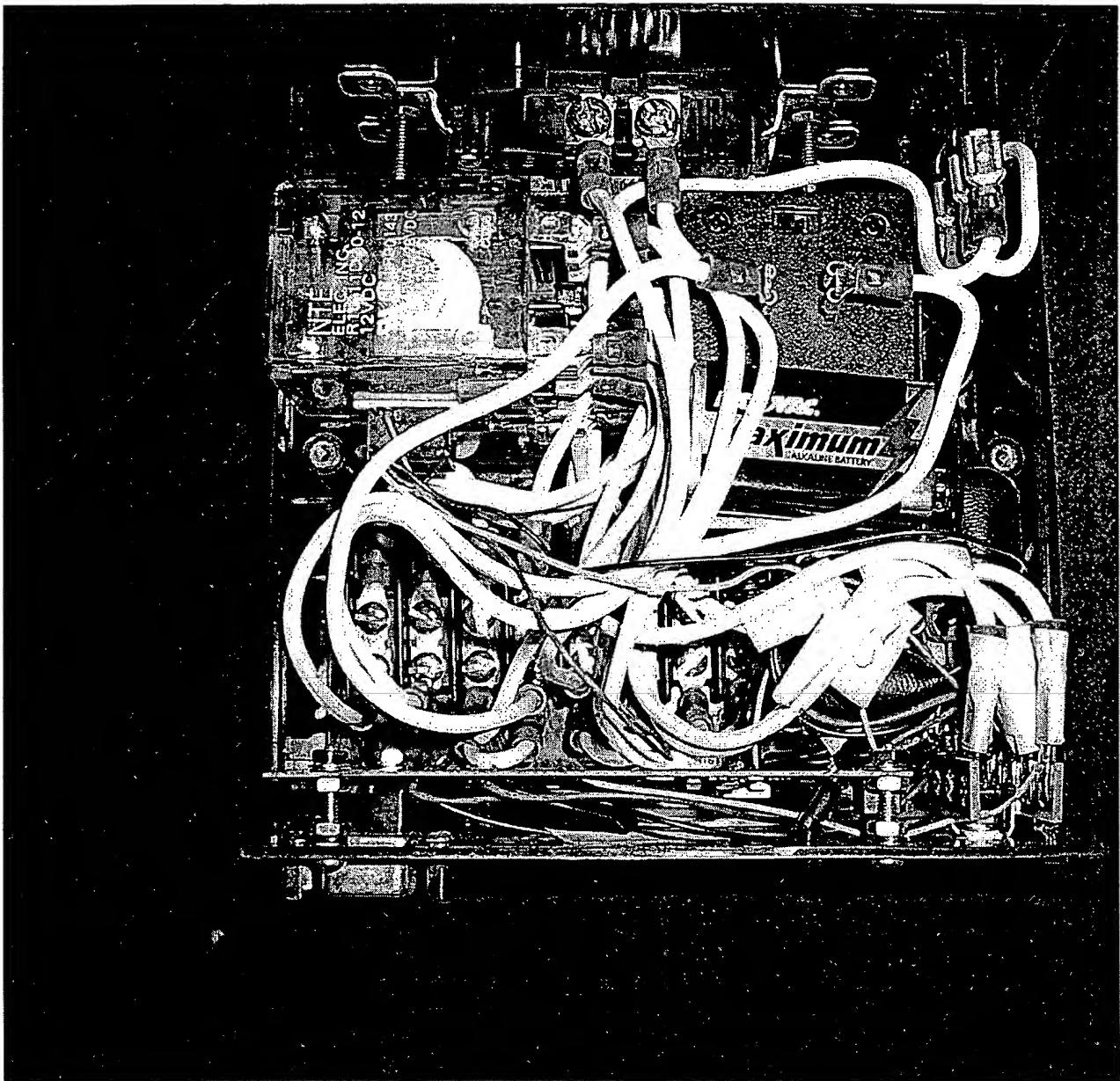


EXHIBIT A



Subj: One -way Transmitter with Battery Back-up Cost Estimation (Rev. 0)
Date: 4/27/00 6:28:15 AM Pacific Daylight Time
From: alex@os-tools.com (Alex Zujovich)
To: emmett@os-tools.com (Emmett Culley), fomeany@aol.com (Francisco O'Meany), johnwayman@aol.com (John Wayman), jgcooperma@aol.com (Josh Cooperman)

NRE

Design and Drawing Release

Enclosure and Cover \$12,000
Top Assembly \$7000
Cable Harness \$3,500
Leadtime 3 weeks

Injection Tool/Mold Design and Fabrication

Enclosure and Cover \$45,000
Leadtime 6 weeks

Recurring Unit Costs (30,000 units, Packaging Included, Sales Tax Not Included) per Unit

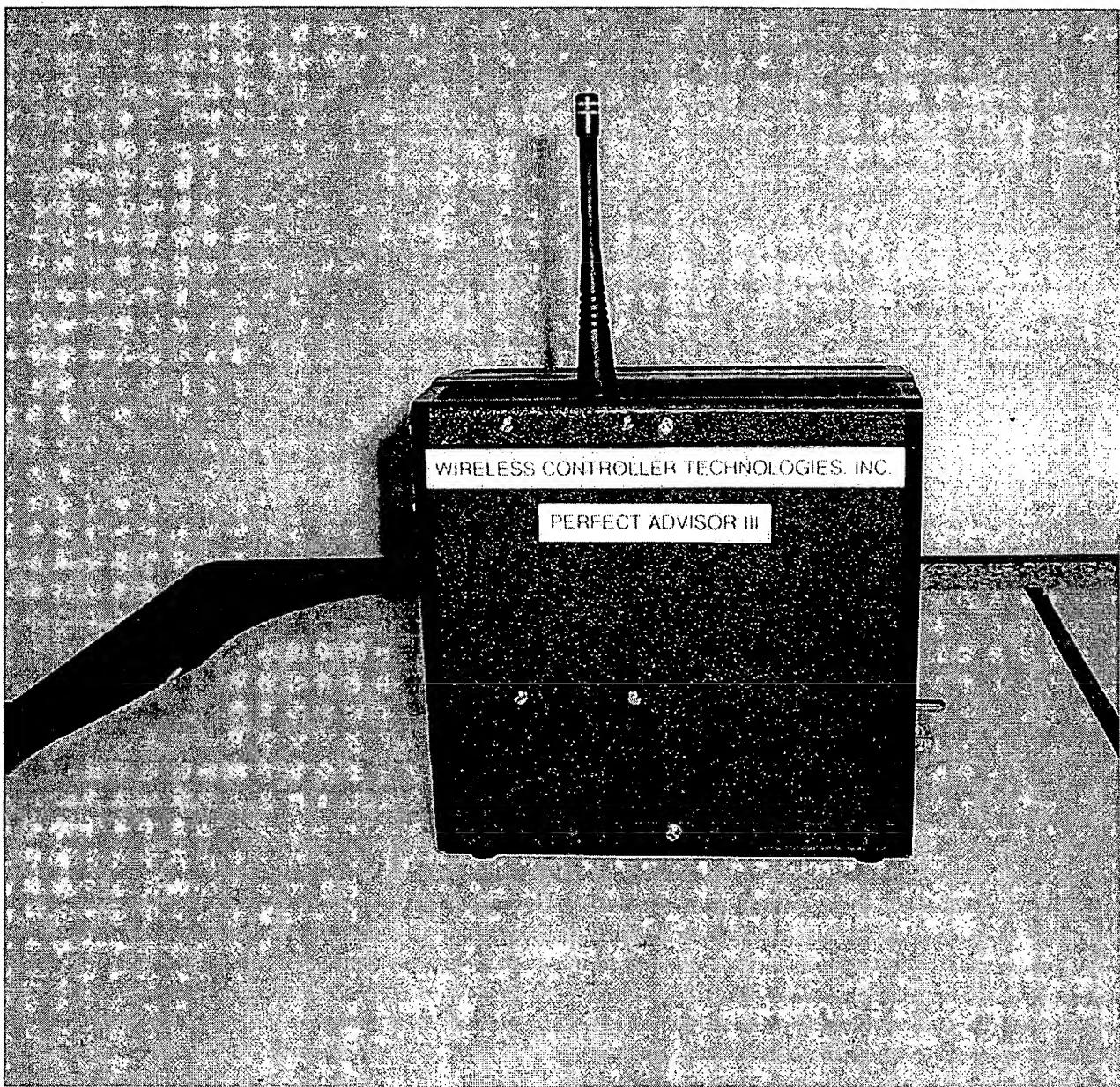
One-way Circuit Card (Internal Antenna Included) \$41.00
Enclosure and Cover \$1.75
Cables (2) \$2.00
Battery Back-up Subassy (Battery Included) 5.50
Assembly Integration and Test \$3.50

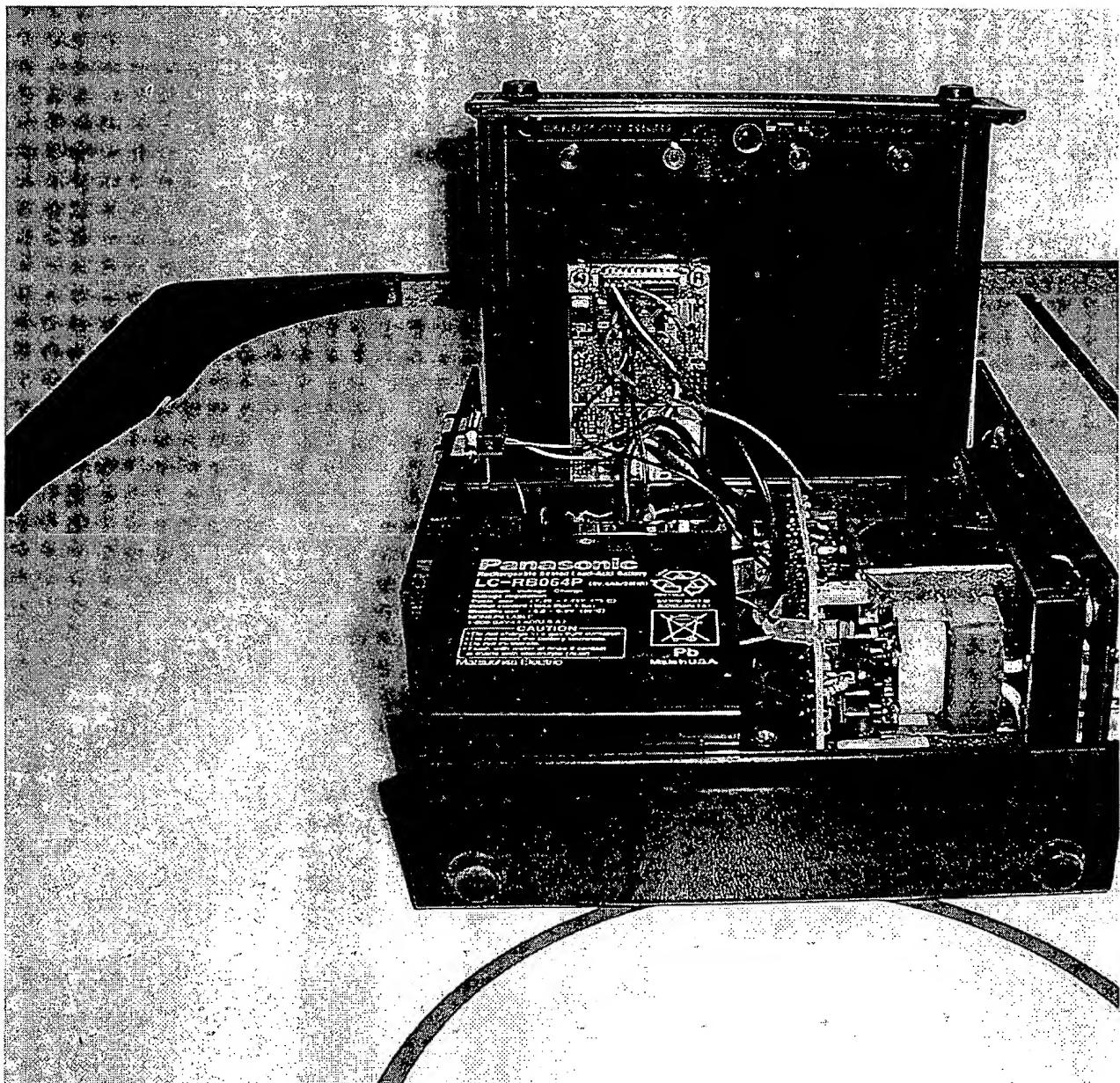
Airtime \$4.00/unit/month

----- Headers -----

Return-Path: <alex@os-tools.com>
Received: from rly-za03.mx.aol.com (rly-za03.mail.aol.com [172.31.36.99]) by air-za03.mail.aol.com (v70.20) with ESMTP; Thu, 27 Apr 2000 09:28:15 -0400
Received: from windmill-en0.garlic.com (windmill-en0.garlic.com [208.195.160.130]) by rly-za03.mx.aol.com (v71.10) with ESMTP; Thu, 27 Apr 2000 09:28:09 -0400
Received: from os-tools.com (76.sm6.dialup.garlic.net [216.139.6.76])
by windmill-en0.garlic.com (8.10.0/8.10.0) with ESMTP id e3RDS5h42336;
Thu, 27 Apr 2000 06:28:05 -0700
Message-ID: <39085C86.F8B9C8CC@os-tools.com>
Date: Thu, 27 Apr 2000 07:28:07 -0800
From: Alex Zujovich <alex@os-tools.com>
X-Mailer: Mozilla 4.61 [en] (OS/2; U)
X-Accept-Language: en
MIME-Version: 1.0
To: Emmett Culley <emmett@os-tools.com>, "Francisco O'Meany" <fomeany@aol.com>, John Wayman <johnwayman@aol.com>, Josh Cooperman <jgcooperma@aol.com>
Subject: One -way Transmitter with Battery Back-up Cost Estimation (Rev. 0)
Content-Type: text/plain; charset=us-ascii
Content-Transfer-Encoding: 7bit

EXHIBIT B





Subj: FedEx
Date: 6/6/00 10:29:05 PM Pacific Daylight Time
From: emmett@os-tools.com (Emmett Culley)
To: FranOMeany@aol.com (Frank O'Meany), alex@os-tools.com (Alex Zujovich)

Francisco,

Here is my FedEx number:

1614-0363-6

for OS/tools Inc.

Can you please send the original prototype to me?

Emmett

----- Headers -----

Return-Path: <emmett@os-tools.com>
Received: from rly-yb04.mx.aol.com (rly-yb04.mail.aol.com [172.18.146.4]) by air-yb01.mail.aol.com (v74.10) with ESMTP; Wed, 07 Jun 2000 01:29:05 -0400
Received: from windmill-en0.garlic.com (windmill-en0.garlic.com [208.195.160.130]) by rly-yb04.mx.aol.com (v74.16) with ESMTP; Wed, 07 Jun 2000 01:28:45 -0400
Received: from os-tools.com (91.int44.dsl.garlic.net [216.139.44.91])
by windmill-en0.garlic.com (8.10.0/8.10.0) with ESMTP id e575ShL14000;
Tue, 6 Jun 2000 22:28:43 -0700
Message-ID: <393DDD8E.C5A9DF06@os-tools.com>
Date: Tue, 06 Jun 2000 21:28:46 -0800
From: Emmett Culley <emmett@os-tools.com>
X-Mailer: Mozilla 4.61 [en] (OS/2; U)
X-Accept-Language: en
MIME-Version: 1.0
To: "Frank O'Meany" <FranOMeany@aol.com>, Alex Zujovich <alex@os-tools.com>
Subject: FedEx
Content-Type: text/plain; charset=us-ascii
Content-Transfer-Encoding: 7bit

EXHIBIT D

Subj: **Ship to address.**
Date: 6/7/00 6:53:03 AM Pacific Daylight Time
From: emmett@os-tools.com (Emmett Culley)
To: FranOMeany@aol.com (Frank O'Meany), alex@os-tools.com (Alex Zujovich)

Francisco,

Please send the prototype to:

Emmett Culley
Omnicell.com
1101 East Meadow Dr.
Palo Alto, CA 95303

The mail from address is:

OS/tools Inc.
7145 Yorktown Dr.
Gilroy, CA 95020

My FedEx account number is:

1614-0363-6

Bill it to Sender and send it FedEX Standard Overnight (next afternoon delivery)

I'll warn the receptionist that it is comming.

Emmett

----- Headers -----

Return-Path: <emmett@os-tools.com>
Received: from rly-zd05.mx.aol.com (rly-zd05.mail.aol.com [172.31.33.229]) by air-zd05.mail.aol.com (v74.10) with ESMTP; Wed, 07 Jun 2000 09:53:03 -0400
Received: from windmill-en0.garlic.com (windmill-en0.garlic.com [208.195.160.130]) by rly-zd05.mx.aol.com (v74.16) with ESMTP; Wed, 07 Jun 2000 09:52:54 -0400
Received: from os-tools.com (91.int44.dsl.garlic.net [216.139.44.91])
by windmill-en0.garlic.com (8.10.0/8.10.0) with ESMTP id e57DqqL14176;
Wed, 7 Jun 2000 06:52:53 -0700
Message-ID: <393E53B7.12BF934C@os-tools.com>
Date: Wed, 07 Jun 2000 05:52:55 -0800
From: Emmett Culley <emmett@os-tools.com>
X-Mailer: Mozilla 4.61 [en] (OS/2; U)
X-Accept-Language: en
MIME-Version: 1.0
To: "Frank O'Meany" <FranOMeany@aol.com>, Alex Zujovich <alex@os-tools.com>
Subject: Ship to address.
Content-Type: text/plain; charset=us-ascii
Content-Transfer-Encoding: 7bit

Alex Zujovich
2990 Sierra Road
San Jose, CA 95132-2755
(408)895-6307 Work
(408)313-5552 Mobile
(408)272-7409 Home Fax

6/4/00

John, Josh, Francisco & Emmett,

Last Friday was a very good meeting indeed. Much was accomplished through plans and commitments to what is to be achieved in the next short period. Starting the 15th, every Thursday will be reserved for our company's work whether they be a group meeting or quiet quality time on individual commitments. We want to move forward as quickly as possible to file the claims, incorporate, and give demonstrations to potential clients.

The next dates committed to the following accomplishments are:

- 6/5 Emmett to work toward completion of the first demo unit (2nd generation)
- 6/10 Emmett to complete the first demo unit, tested and delivered to Francisco
- 6/15 Francisco, Emmett and Alex to meet on the Device's technical issues
- 6/22 Company Thursday
- 6/29 Group meeting
Every Thursday thereafter

Enclosed are the claims, specifications and flow chart. Please look them over to make sense and improve. Call one another to generate understanding, accuracy and thoroughness of the attached ideas. Mail them back or fax them back to me to the information I have provided above.

We are on our way to an exciting, fun, innovative, creative era that will provide value to our customers. I'll talk to you soon.

All the Best,

Ax

The Perfect Advisor

Claims:

The Device is directly attached and connected to any unit that uses power such as an Appliance (workstation, LAN, WAN, HVAC, motor, etc.). The Device will monitor Appliance usage and status. The Device will receive commands through wireless transmission to control the Appliance. For a central Device, the Company will have the capacity to transmit digital information wirelessly to an Appliance which has ability to distribute proprietary software programs world wide (globally). The Company has created through unique proprietary software intelligent agents which through proprietary software commands activate the functions of the Device. The Device will control the power or the process for any Appliance in order to manage power consumption. The Device will be independent of Appliance power source. The Device forms part of a catastrophic warning system. The Device powers on Appliances at specific times to allow for software downloads, upgrades and enhancements.

Specification:

Wirelessly and separately switchable AC power circuits (115/230 Vac, 15 A).

Wirelessly switchable 12 Vdc power circuits. Added to wirelessly controlled

5 Vdc binary outputs. Battery back-up control. Pass through command path in effect

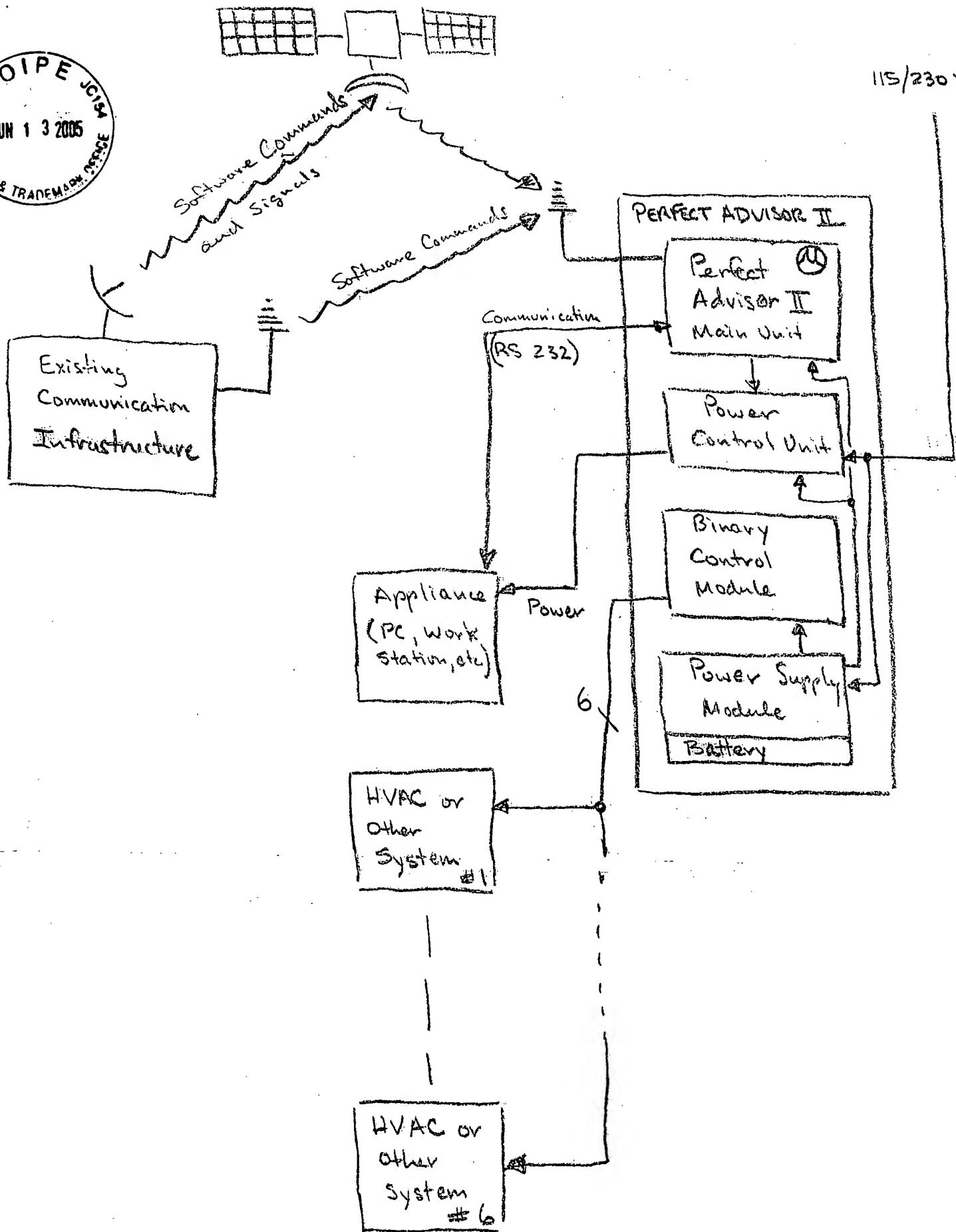
allowing wireless commands to the appliance, its software and/or operating

system.

Flow Diagram



115/230 Vac



6|4|00

CERTIFICATE OF MAILING (37 CFR 1.8(A)): I hereby certify that this paper (along with any paper referred to as being transmitted therewith) is being deposited with the U.S. Postal Service on the date shown below with sufficient postage as first class mail in an envelope addressed to the Commissioner of Patents, PO Box 1450, Alexandria, VA 22313-1450.

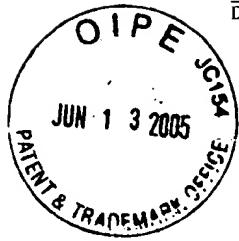
06/10/05

Cynthia E. Hulen

Type/print name of person mailing paper

Cynthia E. Hulen

Signature of person mailing paper



PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN RE APPLICATION OF)
Francisco O'Meany)
Serial No. 09/927,104)
Filed: August 10, 2001)
For: Methods and Apparatus for)
Wireless Control of Remote Devices)

) Examiner: Eric Chang

) Art Unit: 2116

) Date: June 10, 2005

**DECLARATION OF
H. MICHAEL BRUCKER
37 C.F.R. 1.131**

Commissioner for Patents
Alexandria, VA 22313-1450

1. I am the attorney of record in the above-referenced application.
2. On July 10, 2000, I met in my office with Francisco O'Meany, Josh Cooperman, John Wayman and Alex Zujovich and discussed Mr. O'Meany's invention of a wireless power control system.
3. A prototype of one embodiment of the invention was demonstrated to me. That prototype was able to turn power to a device on and off in response to a wireless signal. I was informed that this embodiment included an intelligent agent which they referred to as the "Perfect Advisor I." I was informed that an embodiment including a more sophisticated intelligent agent that they called "Perfect Advisor II" was being built and was the subject matter for which patent protection was sought.

4. Documents relating to the embodiment of the invention including the Perfect Advisor II were furnished to me at the June 10, 2000 meeting to assist me in understanding the invention. These documents, which are attached as Exhibit A, included the minutes of a June 2, 2000 meeting of the inventor and his associates which had attached thereto a three-page description of "The Perfect Advisor" and a schematic drawing dated "6/4/00."

5. With reference to those documents, the inventor and his associate described to me the invention described and claimed in the above-referenced pending patent application. In particular, on June 10, 2000, with reference to the schematic of Exhibit A and other materials, it was explained to me that software command signals could be sent wirelessly either tower-to-tower or via satellite to the intelligent agent labeled "Perfect Advisor II Main Unit." The Perfect Advisor II Main Unit responds to the incoming signal by sending a signal to an appliance such as a PC instructing it to run its shut-down routine. Once the shut-down routine is completed, the Perfect Advisor II Main Unit is so informed and it then sends a signal to a Power Control Unit to shut the power down to the PC.

6. During the period between the meeting on June 10, 2000 and the filing of a provisional patent application on August 10, 2000, I conducted a prior art search and received additional written materials from the inventor relating to the invention. These additional materials are attached as Exhibit B and included:

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(a) A one-page document entitled "The Perfect Advisor" dated "7/8/00."

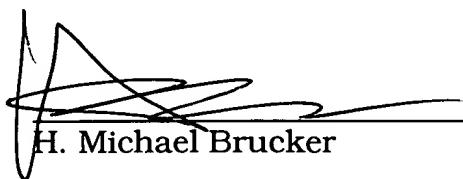
(The handwritten edits were on the document when presented to me on or about July 11, 2000.);

(b) A drawing that was faxed on July 9, 2000 illustrating the invention described and claimed in the above-referenced patent application. (The legend "Figure 1" and the numeral designations were added by me some time after July 9, 2000 in the course of preparing the provisional patent application.);

(c) The first three pages of a business plan dated June 16, 2000. (This document was received prior to July 13, 2000.)

7. That the above statements were made with the knowledge that willful false statements and the like are punishable by fine and/or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, that any such willful false statement may jeopardize the validity of this application or any patent resulting therefrom.

Dated: June 10, 2005



H. Michael Brucker

A handwritten signature in black ink, appearing to be "H. Michael Brucker". The signature is somewhat stylized and includes a small circle to the left of the "H". Below the signature, the name "H. Michael Brucker" is printed in a smaller, standard font.

Alex Zujovich
2990 Sierra Road
San Jose, CA 95132-2755
(408)895-6307 Work
(408)313-5552 Mobile
(408)272-7409 Home Fax

6/4/00

John, Josh, Francisco & Emmett,

Last Friday was a very good meeting indeed. Much was accomplished through plans and commitments to what is to be achieved in the next short period. Starting the 15th, every Thursday will be reserved for our company's work whether they be a group meeting or quiet quality time on individual commitments. We want to move forward as quickly as possible to file the claims, incorporate, and give demonstrations to potential clients.

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Enclosed are the claims, specifications and flow chart. Please look them over to make sense and improve. Call one another to generate understanding, accuracy and thoroughness of the attached ideas. Mail them back or fax them back to me to the information I have provided above.

We are on our way to an exciting, fun, innovative, creative era that will provide value to our customers. I'll talk to you soon.

All the Best,

Ax

[REDACTED]
EXHIBIT A
[REDACTED]

The Perfect Advisor

Claims:

The Device is directly attached and connected to any unit that uses power such as an Appliance (workstation, LAN, WAN, HVAC, motor, etc.). The Device will monitor Appliance usage and status. The Device will receive commands through wireless transmission to control the Appliance. For a central Device, the Company will have the capacity to transmit digital information wirelessly to an Appliance which has ability to distribute proprietary software programs world wide (globally). The Company has created through unique proprietary software intelligent agents which through proprietary software commands activate the functions of the Device. The Device will control the power or the process for any Appliance in order to manage power consumption. The Device will be independent of Appliance power source. The Device forms part of a catastrophic warning system. The Device powers on Appliances at specific times to allow for software downloads, upgrades and enhancements.

Specification:

Wirelessly and separately switchable AC power circuits (115/230 Vac, 15 A).

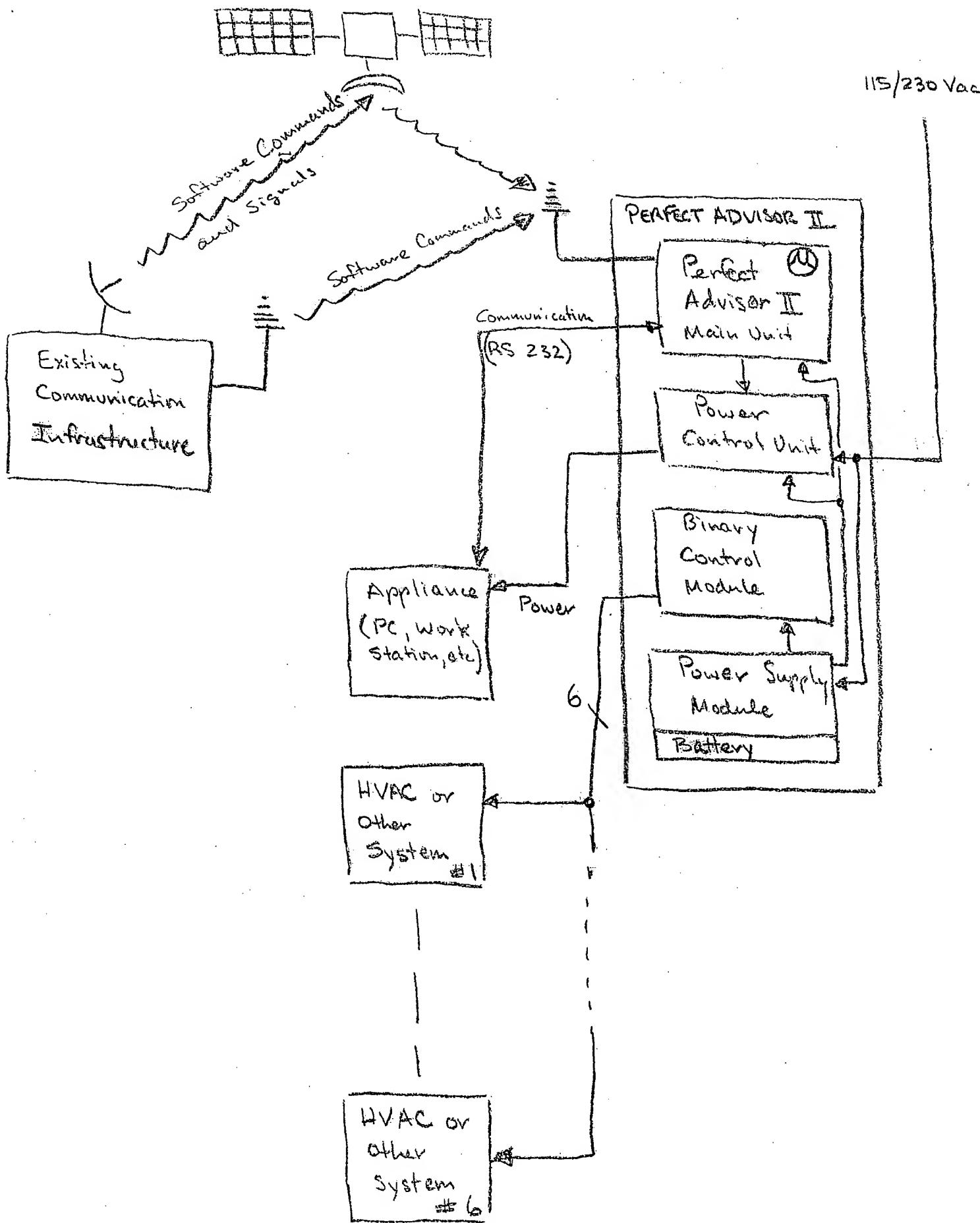
Wirelessly switchable 12 Vdc power circuits. Added to wirelessly controlled

5 Vdc binary outputs. Battery back-up control. Pass through command path in effect

allowing wireless commands to the appliance, its software and/or operating

system.

Flow Diagram



The Perfect Advisor

Claims:

The Perfect Advisor (~~The Device~~) is directly attached and connected to any appliance (~~The Appliance~~) that uses power such as a computer workstation, network server, heating venting and cooling system, motor, etc). The Device will monitor ~~The Appliance's~~ usage and status. The Device will receive commands through wireless transmission to control ~~The Appliance~~. These will include but not be limited to activation and de-activation of ~~The Appliance~~ as well as maintenance, repair, modification enhancements and any other requirements by wired or wireless communications of any nature or means. From a central Device, any system will have the capacity to transmit digital information wirelessly to The Appliance.

within the Appliance
Created are unique proprietary software intelligent agents (The Agents), which through proprietary software commands activate the functions of The Device. The Agents can be customized for the particular requirements of the system, user, etc.

The Device will control the power or the process for any Appliance in order to manage power consumption. The Device will be independent of Appliance power source. The Device also forms part of a catastrophic warning system. The Device powers on Appliances at specific times to allow for software downloads of upgrades and enhancements.

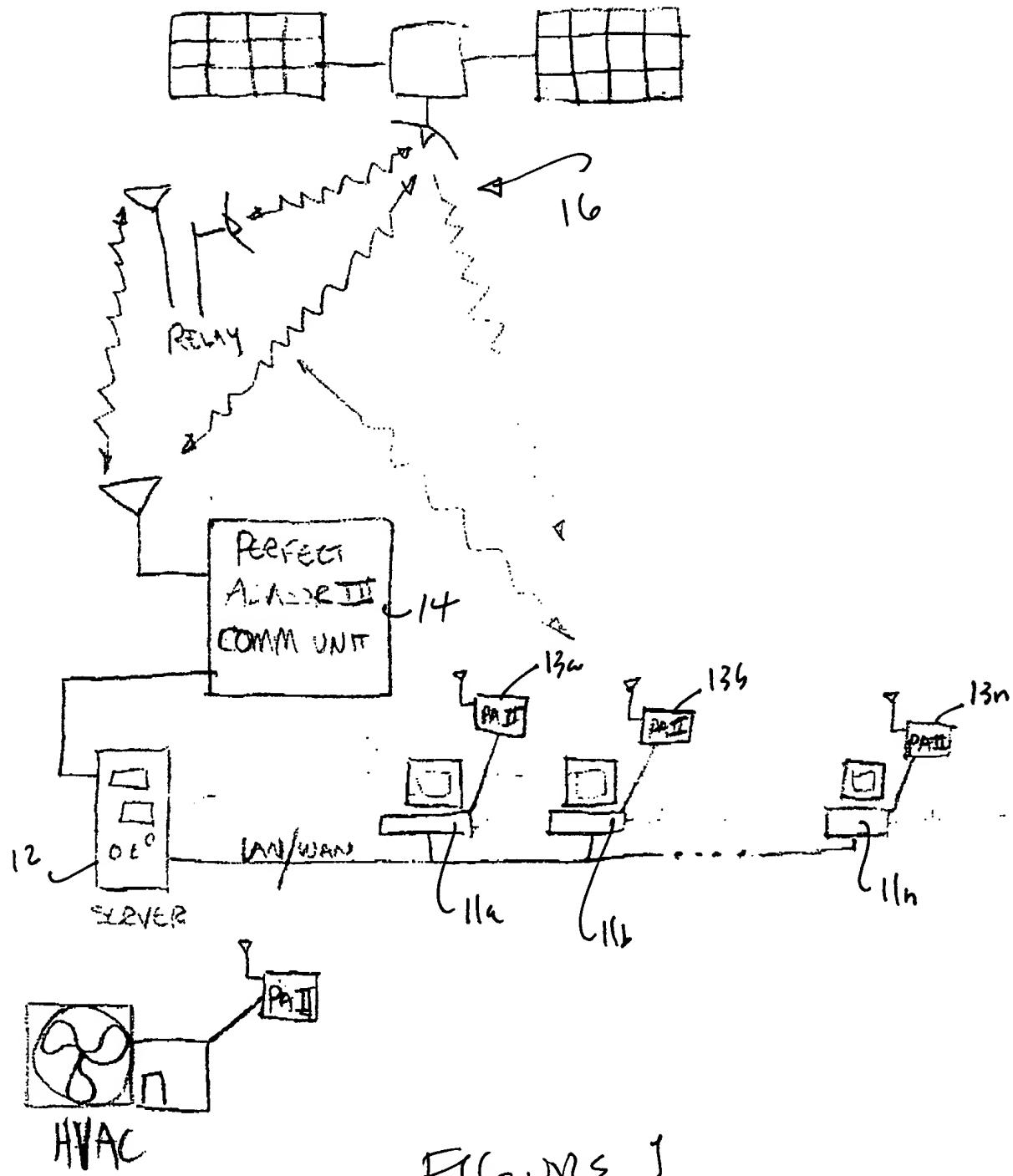


FIGURE 1

EXHIBIT B
(b)

TOTAL P.01

Wireless Controller Technologies, Inc.
Business Plan

June 16, 2000

[REDACTED]
EXHIBIT B
(c)

The Company

The Company develops specialized and unique application tools to provide operational management and disaster control of wired information technology networks. Included in these tools is the ability to reduce costs and energy consumption in running standard applications on a P.C. The system, consisting of both physical devices and unique intelligent agents, also provides an extremely effective and efficient network maintenance tool, which can drastically reduce maintenance costs and improve performance of large and medium network operations. The process utilizes current and proposed state-of-the-art wireless communications to enable users to maintain and improve performance of their networks with communication links outside their wired environments. The system also has the ability to handle maintenance needs through independent wireless communication links to repair problems remotely, notify and expedite maintenance personnel at various locations, create problem tickets, and monitor network problems, either centrally or at multiple locations.

The founders of the Company have extensive experience working in the large WAN-LAN enterprise environment. In fact, the founders were approached by various IT professionals to build solutions for operational management and disaster control of wired network operations. The founders, known to the IT industry as individuals with unique skills for the development of these applications, initiated development of a prototype device for wireless communication incorporating highly specialized intelligent agents to meet market requirements. During this process they became aware that as these large systems became more and more complex, there was a critical need for new technology to deal with the ever-increasing delays and downtime problems. The solution was to go outside the wired environment and utilize the founders' considerable experience in desktop-client server management. Management's view is that the maintenance profile should provide instant communication of problems and incorporate intelligent agents rather than using the current people intensive solutions. Management also knew that, to the extent possible, remote solutions using technology would greatly reduce the cost of these operations and provide superior service. The result was the development of "PerfectAdvisor", the first system being brought to market by the Company.

The reason why we concentrated on this system is that a CTO for a new technical operation in the Pacific Rim has expressed significant interest in using PerfectAdvisor as both a maintenance system and principal system to provide disaster recovery, and backup datacenter facilities, to mitigate risk, in earthquake prone areas in the Far East. Principals in this new operation include some of the largest government, commercial and financial institutions in that region and would constitute an order of PerfectAdvisor in the 10's of thousands of units each year. The CTO sees the benefits wireless technologies would provide outside normal communication links as well as the backup support obtained through the ancillary products and services of Wireless Controller Technologies.

We know that at the time of this writing that the marketplace views wireless communication much as the market originally viewed the Internet. Organizations with sensitive information or as a practical matter any personal files do not want anyone having potential access to the information. As in the case of the Internet safety precautions were introduced and firewalls created to build the confidence for the users. This is also occurring with wireless and will soon have the confidence of the market for the transmission of sensitive data. We must understand that the market always looks with suspicion at new technology, but the fact of the matter is that major governments of the have been using wireless for the most sensitive material for years. There is rapidly developing technology for commercial use, which offers equal or greater security in

wireless communication. The company can provide these technologies and will offer secure communication.

Principals of the Company have extensive knowledge of "change management process" for large enterprise environments whereby the software can be changed on a pre-determined automated basis. This enables the company to provide specialized services not previously available that can dramatically enhance the "process" such as the ability to turn on equipment to make appropriate software distribution, enhancements, etc. The key to this is the ability to turn the systems on during the narrow time windows large organizations, such as banks or utilities, have during the day to permit such changes. As an example, a major U.S. bank, to conserve energy, advised all branch operations to turn off their P.C.'s after hours. However, to implement software changes during such time, that organization must initiate 1400 telephone calls to instruct managers to re-boot the machines, due to the importance of ensuring that personnel are specifically aware of the need to leave the machines on for a distribution of new mission critical software. This would be eliminated with PerfectAdvisor II, which automates this process and can turn on the entire network, a region or a group, or even an individual installation, through a simple software command, either on a scheduled basis or for an individual need. The scheduler on PerfectAdvisor can also be synchronized with the changed management software for seamless distribution, and incorporates time zone and operating hour differences worldwide.

The importance of this for large organizations cannot be underestimated. If a branch of the bank does not receive its phone call, that branch would no longer be fully synchronized into the organization's software, and could no longer provide total consistency of banking services expected by headquarters.

Similarly, use of proper protocols for turning-off and turning on the work stations is important. The intelligent agent determines the operating software and ensures that the software's exit protocols are followed before power is cut off, with identical results when turning on the work station.

Initial focus of the Company will be on PerfectAdvisor I and II. Payback of PerfectAdvisor II is one year or less, with potential savings thereafter annually in the millions of dollars for larger installations, enabling customers to manage servers and workstations selectively and remotely and to be properly turn their power off and on. The device uses a unique communication matrix, which provides direct control of the machines. There are derivative products, which have been tested for PerfectAdvisor III which provide unique desktop software management for systems from 20 nodes to 50,000 nodes.

Given the power reduction capabilities, the company's focus is to provide tools for a non-regulated profitable service business for investor owned and municipal owned public utilities, with the utilities acting as marketing channels for its customers, and potentially as partners in the business. The benefits for the utility are multiple:

- A profitable non-regulated service company which sells and distributes the systems to its customers.
- Provide customer retention and demonstrate considerable economic benefits.
- Reduce energy demand and potentially improve utility earnings.
- Use of a non-regulated subsidiary as a base for expanded profitable services in a cutting edge technology.
- Receive investment returns as well as profits from the operation.
- Gain access into a highly technical industry for diversification purposes.
- Demonstrate to the PUC that the Utility has created a new dynamic energy saving service business.

Further with intelligent agent, could distribute software. We are also wireless—avoid costs of hard wire installs.